

<b>SERFF Tracking #:</b>	ALST-128547179	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	RATES: PORTABILITY/NON-PORTABILITY
--------------------------	----------------	--------------------------	--	----------------------------	------------------------------------

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	American Heritage Life Insurance Company
<b>TOI/Sub-TOI:</b>	H11G Group Health - Disability Income/H11G.002 Short Term		
<b>Product Name:</b>	Group Disability Insurance		
<b>Project Name/Number:</b>	Rate Filing - Portability /		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	SERFF
<b>Rate Change Type:</b>	Neutral
<b>Overall Percentage of Last Rate Revision:</b>	0.000%
<b>Effective Date of Last Rate Revision:</b>	
<b>Filing Method of Last Filing:</b>	

## Company Rate Information

<b>Company Name:</b>	<b>Overall % Indicated Change:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Written Premium for this Program:</b>	<b>Maximum % Change (where req'd):</b>	<b>Minimum % Change (where req'd):</b>
American Heritage Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	American Heritage Life Insurance Company
<b>TOI/Sub-TOI:</b>	H11G Group Health - Disability Income/H11G.002 Short Term		
<b>Product Name:</b>	Group Disability Insurance		
<b>Project Name/Number:</b>	Rate Filing - Portability /		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action*	Rate Action Information	Attachments
1		GVDIP (without Portability)	GVDIPDC, GVDICDC	New		GVDIP_Act_Memo_Most States_with Rates.pdf
2		GVDIP (with Portability)	GVDIPDC, GVDICDC	New		Most States Actuarial Memo_Portability Reprice.pdf

American Heritage Life Insurance Company  
Jacksonville, Florida

**Actuarial Memorandum Group Disability Income Policy  
Form GVDIP**

**1. Scope and Purpose of Filing**

This is a new filing of the rates for American Heritage Life Insurance Company's Group Disability Income Policy Form GVDIP, or state variations thereof. This rate filing is not intended to be used for any other purpose.

**2. Description of Benefits**

A summary of the benefits are listed below. Detailed descriptions of the benefits are in the policy forms.

**A. Policy Benefits**

This policy provides short term off-the-job injury and sickness disability benefits for Total Disability, as follows:

i. Benefit and Elimination Periods

Available Benefit Periods: 3, 6, 12 and 24 months

Available Elimination Periods:

<b>Accident Elimination Period/Days</b>	<b>Sickness Elimination Period/Days</b>
0	7
7	7
14	14
30	30
90	90
180	180

ii. Benefit Levels

Available monthly benefits: \$400 to \$6,000 per month. No monthly benefit will be issued for amounts which exceed 60% of the applicant's current gross income. This 60% limit applies to all disability income coverage in force. The policy also includes a partial disability benefit.

iii. Definition of Total Disability

Due to sickness or an off-the-job injury the insured is:

1. Unable to perform the material and substantial duties of Own Occupation, and
2. Under the care of a physician, and
3. Not working in any other job for wage or profit.

### **3. Renewability**

Individual certificates can only be terminated for reasons stated in the policy. The group policy is cancelable subject to the rules stated in the policy form.

### **4. Applicability**

This is a new filing of this form. We anticipate new issues and renewals of this form in the future.

### **5. Morbidity, Underwriting and Marketing**

Morbidity assumptions were developed based on company experience for an individual form with a similar benefit structure and the 1985 CIDA Tables.

Net claim costs were developed from the 1985 CIDA Tables adjusted for actual company experience on its DI-5 policy form and current group DI policy form.

For the workplace market claim costs were adjusted by duration for the effects of guaranteed issue underwriting, waiting period for pregnancy, and exclusion of pre-existing conditions. These underwriting selection factors are as follows:

Year	Factor
1	0.95
2	1.156
3	1.026

### **6. Mortality and Interest**

No explicit mortality assumption was used to establish the anticipated loss ratio. The persistency rates take into account all causes of lapse, including death.

An interest rate of 4.0% was used to develop the anticipated loss ratio.

## 7. Persistency

The lapse rate assumptions used in pricing this form is for all causes of policy/certificate termination, including death. Lapse rates vary by age and duration. Overall lapse rates based on the anticipated mix are as follows:

Pol Yr	Midpoint of Age Band									
	14	24	32	37	42	47	52	57	62	65+
1	28.4%	28.4%	32.4%	28.4%	26.2%	24.2%	22.4%	20.7%	19.1%	17.7%
2	31.8%	31.8%	36.1%	31.8%	29.4%	27.2%	25.1%	23.2%	21.5%	19.9%
3	27.8%	27.8%	31.6%	27.8%	25.6%	23.7%	21.8%	20.2%	18.6%	17.2%
4	24.2%	24.2%	27.4%	24.2%	22.3%	20.7%	19.1%	17.7%	16.4%	15.2%
5	21.6%	21.6%	24.5%	21.6%	20.0%	18.5%	17.1%	15.9%	14.7%	25.0%
6	20.3%	20.3%	23.0%	20.3%	18.9%	17.5%	16.2%	15.1%	14.0%	25.0%
7	18.4%	18.4%	21.0%	18.4%	16.9%	15.6%	14.3%	13.2%	12.1%	25.0%
8+	17.0%	17.0%	19.4%	17.0%	15.6%	14.4%	13.2%	12.2%	25.0%	25.0%

## 8. Expenses

The expense assumptions used in pricing this form are based upon recent company experience as are as follows.

Acquisition:	21.23 % of premium at issue \$15.99 per certificate issued
Maintenance:	\$17.22 per certificate in force 3.44 % of premium in force 4.33 % of claims paid
Premium Tax:	1.86 % of premium

## 9. Marketing Method

This product will be sold to employer groups, unions/associations, and other eligible groups on a automated deduction basis, according with the regulations of your state.

This product will be offered through the Allstate agents and AHL's personal producing general agency force. Additional workplace sales will come through the Allstate distribution network.

## 10. Underwriting

Certificates are guarantee issue, subject to being actively employed, as long as the employee or member enrolls for an amount under the guaranteed issued amount during the guarantee issue period and case meets other requirements for guarantee issue as stated in the policy form. If these qualifications are not met, evidence of insurability is required.

## 11. Premium Classes

Initial premiums vary by 3 industry classes, benefit period, elimination period, portability option, and issue age, or attained age. Renewal premiums may be adjusted based on the experience of the case. There will be one rate band below the best industry class and one rate band above the worst industry class for renewal rating, or cases with credible experience. Rates are illustrated in exhibits A and B.

The rate for the portability option will be 10% of the rates for the base premiums.

**12. Issue Age Range**

This form will be available to issue ages 18 and up subject to eligibility requirements.

**13. Area Factors**

The pricing of this form did not incorporate any area factors.

**14. Average Annualized Premium**

The expected average annualized premium per policy is \$625, based upon the anticipated sales distribution and average policy size.

**Premium Modalization Rules**

Subject to rounding procedures, following are the premium modalization rules for this form.

Semiannual premiums equal .50 multiplied by the annual premium.

Quarterly premiums equal .25 multiplied by the annual premium.

Monthly premiums equal .0833333 multiplied by the annual premium.

This form has no policy fee.

**15. Active Life and Claim Reserves**

Statutory reserves will be held in accordance with the Standard Valuation Law.

This is a new filing of this form; therefore, there are no claim reserves at this point. Claim reserves will be developed in accordance with the American Academy of Actuaries' Actuarial Standard of Practice Number 5, "Incurred Health Claim Liabilities".

**16. Anticipated Loss Ratio**

Tillinghast's TAS software was used to perform the calculations.

The lifetime anticipated loss ratio is 53.2%. This loss ratio is calculated as the present value of policy benefits divided by the present value of premiums. This lifetime anticipated loss ratio exceeds the minimum state requirements for this type of coverage.

Incurred loss ratios are equal to paid claims plus the change in claim reserves and liabilities divided by earned premiums. They do not include an adjustment for the increase in statutory policy reserves.

## 17. Distribution of Business

### BY ELIMINATION PERIOD

EP/days	
7	35%
14	35%
30	23%
90	3%
180	3%
<b>Sum</b>	<b>100%</b>

### BY AGE

AGE	
25	13%
35	24%
45	31%
55	27%
62	5%
<b>Sum</b>	<b>100%</b>

### BY BENEFIT PERIOD

BP/months	
3	19%
6	46%
12	20%
24	15%
<b>Sum</b>	<b>100%</b>

### BY INDUSTRY CLASS

CLASS	
A	30%
B	60%
C	10%
<b>Sum</b>	<b>100%</b>

### BY PORTABILITY OPTION

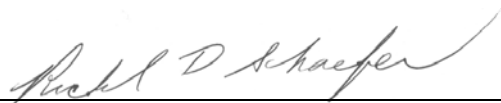
Assume that 20% of business will  
buy the Portability Rider

## 18. Contingency and Risk Margins

No explicit contingency margin was added to claim costs.

## 19. Actuarial Certification

I, Richard D Schaefer, am an Actuary for American Heritage Life Insurance Company. I am a member of the American Academy of Actuaries and am qualified in the area of health insurance. I certify that, to the best of my knowledge and judgment, the entire rate filing is in compliance with the applicable laws of your state and with the rules of the Department of Insurance, and complies with Actuarial Standard of Practice Number 8, "Regulatory Filings for Rates and Financial Projections for Health Plans", and that the benefits provided are reasonable in relation to the proposed premiums.

  
Richard D. Schaefer, F.S.A., M.A.A.A.

February 21, 2011  
Date

# EXHIBIT A

## Attained Age Rates

Monthly Attained Age Rates						
Benefit			Elimination Period	Industry Class		
Period	Accident	Sickness	Age Band	A	B	C
3	0	7	0-49	1.35	2.13	2.72
3	0	7	50-59	2.13	3.01	3.68
3	0	7	60-64	2.84	4.01	4.89
3	0	7	65-69	3.45	4.88	5.95
3	0	7	70+	4.66	5.72	6.79
3	0	14	0-49	1.16	1.80	2.29
3	0	14	50-59	1.82	2.55	3.10
3	0	14	60-64	2.43	3.39	4.12
3	0	14	65-69	2.96	4.13	5.01
3	0	14	70+	3.99	5.01	5.98
3	7	7	0-49	1.27	2.02	2.59
3	7	7	50-59	1.99	2.86	3.50
3	7	7	60-64	2.65	3.80	4.66
3	7	7	65-69	3.22	4.62	5.68
3	7	7	70+	4.35	5.20	6.11
3	14	14	0-49	1.05	1.67	2.13
3	14	14	50-59	1.65	2.35	2.89
3	14	14	60-64	2.20	3.14	3.84
3	14	14	65-69	2.68	3.44	4.07
3	14	14	70+	3.03	3.82	4.49
3	30	30	0-49	0.76	0.97	1.15
3	30	30	50-59	1.19	1.48	1.75
3	30	30	60-64	1.36	1.71	2.03
3	30	30	65-69	1.44	1.81	2.14
3	30	30	70+	1.78	2.24	2.64

Monthly Attained Age Rates						
Benefit			Elimination Period	Industry Class		
Period	Accident	Sickness	Age Band	A	B	C
6	0	7	0-49	1.72	2.66	3.37
6	0	7	50-59	2.70	3.77	4.56
6	0	7	60-64	3.60	5.01	6.07
6	0	7	65-69	4.38	6.10	7.39
6	0	7	70+	5.91	7.44	8.75
6	0	14	0-49	1.52	2.33	2.93
6	0	14	50-59	2.40	3.30	3.98
6	0	14	60-64	3.20	4.40	5.30
6	0	14	65-69	3.89	5.36	6.45
6	0	14	70+	5.25	6.50	7.70
6	7	7	0-49	1.63	2.55	3.25
6	7	7	50-59	2.57	3.61	4.39
6	7	7	60-64	3.42	4.80	5.84
6	7	7	65-69	4.16	5.85	7.11
6	7	7	70+	5.61	6.68	7.85
6	14	14	0-49	1.41	2.19	2.78
6	14	14	50-59	2.23	3.11	3.77
6	14	14	60-64	2.96	4.13	5.01
6	14	14	65-69	3.61	5.03	6.10
6	14	14	70+	4.87	5.69	6.68
6	30	30	0-49	1.12	1.75	1.94
6	30	30	50-59	1.76	2.47	3.01
6	30	30	60-64	2.34	2.80	3.31
6	30	30	65-69	2.42	2.91	3.44
6	30	30	70+	2.84	3.58	4.20

Monthly Attained Age Rates						
	Elimination Period			Industry Class		
Benefit						
Period	Accident	Sickness	Age Band	A	B	C
12	0	7	0-49	2.17	3.39	4.30
12	0	7	50-59	3.18	4.56	5.44
12	0	7	60-64	4.54	6.37	7.74
12	0	7	65-69	5.52	7.75	9.42
12	0	7	70+	7.45	10.46	12.72
12	0	14	0-49	1.95	3.03	3.84
12	0	14	50-59	2.87	4.18	5.19
12	0	14	60-64	4.09	5.70	6.90
12	0	14	65-69	4.98	6.71	8.01
12	0	14	70+	6.72	8.20	9.60
12	7	7	0-49	2.08	3.28	4.17
12	7	7	50-59	3.06	4.40	5.50
12	7	7	60-64	4.36	6.16	7.51
12	7	7	65-69	5.31	6.82	8.29
12	7	7	70+	7.16	9.04	9.94
12	14	14	0-49	1.84	2.89	3.68
12	14	14	50-59	2.65	3.98	4.98
12	14	14	60-64	3.86	5.44	6.62
12	14	14	65-69	4.69	6.62	8.06
12	14	14	70+	6.33	8.93	9.74
12	30	30	0-49	1.52	2.40	2.58
12	30	30	50-59	2.10	3.07	3.65
12	30	30	60-64	3.17	3.98	4.71
12	30	30	65-69	3.27	4.05	4.79
12	30	30	70+	4.00	5.04	5.93

Monthly Attained Age Rates						
	Elimination Period			Industry Class		
Benefit	Age					
Period	Accident	Sickness	Band	A	B	C
24	0	7	0-49	2.38	3.66	4.61
24	0	7	50-59	3.28	4.77	5.89
24	0	7	60-64	5.01	6.89	8.31
24	0	7	65-69	6.10	8.39	10.11
24	0	7	70+	8.23	11.32	13.65
24	0	14	0-49	2.16	3.30	4.15
24	0	14	50-59	2.97	4.29	5.28
24	0	14	60-64	4.55	6.22	7.48
24	0	14	65-69	5.54	7.57	9.10
24	0	14	70+	7.48	10.22	12.29
24	7	7	0-49	2.30	3.55	4.49
24	7	7	50-59	3.16	4.62	5.72
24	7	7	60-64	4.82	6.68	8.08
24	7	7	65-69	5.86	8.13	9.83
24	7	7	70+	7.91	10.98	13.27
24	14	14	0-49	2.06	3.16	3.99
24	14	14	50-59	2.81	4.10	5.07
24	14	14	60-64	4.32	5.96	7.19
24	14	14	65-69	5.26	7.25	8.75
24	14	14	70+	7.10	9.79	11.81
24	30	30	0-49	1.73	2.67	3.37
24	30	30	50-59	2.34	3.43	4.25
24	30	30	60-64	3.63	5.03	6.08
24	30	30	65-69	4.42	6.12	7.39
24	30	30	70+	5.97	8.26	9.98

## EXHIBIT B

### Issue Age Rates

Monthly Issue Age Rates					
Elimination Period			Industry Class		
BP	Acc & Sickness	Age	A	B	C
3	0	18-49	2.90	3.29	3.75
3	0	50-59	3.47	3.90	4.53
3	0	60-64	4.13	5.21	6.16
3	0	65-69	4.48	5.65	6.68
3	0	70 +	4.77	6.01	7.07
3	7	18-49	2.73	3.03	3.57
3	7	50-59	3.25	3.68	4.27
3	7	60-64	3.94	4.97	5.88
3	7	65-69	4.31	5.43	6.43
3	7	70 +	4.54	5.72	6.72
3	14	18-49	1.86	2.21	2.48
3	14	50-59	2.34	2.73	3.18
3	14	60-64	2.84	3.58	4.24
3	14	65-69	3.00	3.79	4.48
3	14	70 +	3.33	4.20	4.94
3	30	18-49	0.85	1.07	1.27
3	30	50-59	1.29	1.62	1.92
3	30	60-64	1.56	1.97	2.33
3	30	65-69	1.66	2.09	2.47
3	30	70 +	1.96	2.47	2.90

Monthly Issue Age Rates					
Elimination Period			Industry Class		
BP	Acc & Sickness	Age	A	B	C
6	0	18-49	3.51	4.29	5.10
6	0	50-59	4.55	5.63	6.67
6	0	60-64	5.24	6.60	7.81
6	0	65-69	5.45	6.87	8.13
6	0	70 +	6.20	7.82	9.19
6	7	18-49	3.29	3.81	4.45
6	7	50-59	4.33	4.98	5.75
6	7	60-64	4.93	6.21	7.34
6	7	65-69	5.13	6.47	7.65
6	7	70 +	5.83	7.35	8.64
6	14	18-49	2.51	2.95	3.44
6	14	50-59	3.34	3.94	4.58
6	14	60-64	4.19	5.29	6.25
6	14	65-69	4.51	5.69	6.72
6	14	70 +	4.96	6.26	7.35
6	30	18-49	1.52	1.86	2.14
6	30	50-59	2.34	2.73	3.23
6	30	60-64	2.51	3.17	3.74
6	30	65-69	2.66	3.36	3.97
6	30	70 +	3.12	3.94	4.63

Monthly Issue Age Rates					
Elimination Period			Industry Class		
BP	Acc & Sickness	Age	A	B	C
12	0	18-49	4.55	5.68	6.76
12	0	50-59	5.72	7.76	9.24
12	0	60-64	7.59	9.57	11.32
12	0	65-69	8.35	10.52	12.44
12	0	70 +	9.00	11.34	13.33
12	7	18-49	4.16	4.59	5.27
12	7	50-59	5.20	6.15	7.32
12	7	60-64	5.91	7.44	8.80
12	7	65-69	6.26	7.89	9.33
12	7	70 +	7.25	9.14	10.74
12	14	18-49	3.21	3.77	4.32
12	14	50-59	4.25	4.98	5.75
12	14	60-64	5.86	7.38	8.73
12	14	65-69	6.21	7.82	9.25
12	14	70 +	7.23	9.12	10.71
12	30	18-49	2.08	2.43	2.83
12	30	50-59	2.95	3.38	4.01
12	30	60-64	3.48	4.38	5.18
12	30	65-69	3.68	4.64	5.49
12	30	70 +	4.40	5.55	6.52
12	90	18-49	1.30	1.52	1.79
12	90	50-59	2.12	2.47	2.88
12	90	60-64	2.50	3.20	3.72
12	90	65-69	2.66	3.39	3.94
12	90	70 +	3.17	4.06	4.68

Monthly Issue Age Rates					
Elimination Period			Industry Class		
BP	Acc & Sickness	Age	A	B	C
24	0	18-49	6.46	7.23	8.33
24	0	50-59	9.56	10.60	12.27
24	0	60-64	10.12	12.76	15.08
24	0	65-69	10.58	13.34	15.77
24	0	70 +	12.98	16.36	19.23
24	7	18-49	5.87	6.73	7.93
24	7	50-59	8.78	10.06	11.95
24	7	60-64	10.06	12.67	14.98
24	7	65-69	10.51	13.25	15.66
24	7	70 +	12.87	16.22	19.18
24	14	18-49	4.29	5.07	5.84
24	14	50-59	6.50	7.67	8.85
24	14	60-64	10.00	12.60	14.90
24	14	65-69	10.45	13.16	15.56
24	14	70 +	12.79	16.12	18.94
24	30	18-49	2.73	3.25	3.75
24	30	50-59	3.96	5.10	6.04
24	30	60-64	5.44	6.86	8.11
24	30	65-69	5.77	7.27	8.60
24	30	70 +	7.31	9.21	10.82
24	90	18-49	1.69	1.99	2.27
24	90	50-59	3.08	3.60	4.18
24	90	60-64	4.23	4.84	5.62
24	90	65-69	4.48	5.13	5.96
24	90	70 +	5.68	5.86	6.91
24	180	18-49	1.09	1.39	1.61
24	180	50-59	2.51	2.99	3.40
24	180	60-64	2.73	3.44	4.07
24	180	65-69	2.90	3.65	4.32
24	180	70 +	3.36	4.24	5.01

# American Heritage Life Insurance Company (NAIC #60534)

## Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP

### 1. Purpose and Scope of Filing

The purpose of this rate filing is to request a rate decrease for the charge for portability. Currently the price to include portability is set at 10% of the non portable rates. We would like to reduce the price to be 5% of the non portable rates instead.

No other benefit changes are being made to the form. This rate filing is not intended to be used for any other purpose. Thus, we are filing for revised rates for the portability option.

This filing applies to new GVDIP group contracts. The number of policyholder and annualized premium in-force are as follows:

	Nationwide
Certificate holders in-force	3,427
Annualized Premium in-force	\$1,478,762

### 2. Benefit Description

#### A. Policy Benefits

This policy provides short term off-the-job injury and sickness disability benefits for Total Disability, as follows:

##### i. Benefit and Elimination Periods

Available Benefit Periods: 3, 6, 12 and 24 months

Available Elimination Periods:

Accident Elimination Period/Days	Sickness Elimination Period/Days
0	7
7	7
14	14
30	30
90	90
180	180

##### ii. Benefit Levels

Available monthly benefits: \$400 to \$6,000 per month.

##### iii. Definition of Total Disability

Due to sickness or an off-the-job injury the insured is:

1. Unable to perform the material and substantial duties of Own Occupation, and
2. Under the care of a physician, and
3. Not working in any other job for wage or profit.

## American Heritage Life Insurance Company (NAIC #60534)

### Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP

#### 3. Renewability Clause

Individual certificates can only be terminated for reasons stated in the policy. The group policy is cancelable subject to the rules stated in the policy form.

#### 4. Applicability

This filing applies to new GVDIP group contracts and inforce cases upon request at anniversary.

#### 5. Morbidity

Morbidity assumptions were developed based on company experience for an individual form with a similar benefit structure and the 1985 CIDA Tables.

Net claim costs were developed from the 1985 CIDA Tables adjusted for actual company experience on its DI-5 policy form and current group DI policy form.

For the workplace market claim costs were adjusted by duration for the effects of guaranteed issue underwriting, waiting period for pregnancy, and exclusion of pre-existing conditions. These underwriting selection factors are as follows:

Year	Factor
1	0.95
2	1.156
3	1.026

#### 6. Mortality and Interest

No explicit mortality assumption was used to establish the anticipated loss ratio. The persistency rates take into account all causes of lapse, including death.

An interest rate of 4.0% was used to develop the anticipated loss ratio.

#### 7. Persistency

The lapse rate assumptions used in pricing this form is for all causes of policy/certificate termination, including death. Lapse rates vary by age and duration. Overall lapse rates based on the anticipated mix are as follows:

##### Issue Age Lapse Rates:

Pol Yr	Midpoint of Age Band									
	14	24	32	37	42	47	52	57	62	65+
1	28.4%	28.4%	32.4%	28.4%	26.2%	24.2%	22.4%	20.7%	19.1%	17.7%
2	31.8%	31.8%	36.1%	31.8%	29.4%	27.2%	25.1%	23.2%	21.5%	19.9%
3	27.8%	27.8%	31.6%	27.8%	25.6%	23.7%	21.8%	20.2%	18.6%	17.2%
4	24.2%	24.2%	27.4%	24.2%	22.3%	20.7%	19.1%	17.7%	16.4%	15.2%
5	21.6%	21.6%	24.5%	21.6%	20.0%	18.5%	17.1%	15.9%	14.7%	25.0%
6	20.3%	20.3%	23.0%	20.3%	18.9%	17.5%	16.2%	15.1%	14.0%	25.0%
7	18.4%	18.4%	21.0%	18.4%	16.9%	15.6%	14.3%	13.2%	12.1%	25.0%
8+	17.0%	17.0%	19.4%	17.0%	15.6%	14.4%	13.2%	12.2%	25.0%	25.0%

## American Heritage Life Insurance Company (NAIC #60534)

### Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP

#### Attained Age Lapse Rates:

Pol Yr	Midpoint of Age Band								
	24	32	37	42	47	52	57	62	65+
1	35.0%	33.4%	33.2%	30.9%	29.9%	28.4%	28.9%	31.6%	37.1%
2	34.4%	32.7%	33.3%	30.9%	30.6%	29.8%	30.2%	32.8%	36.3%
3	34.0%	31.6%	31.1%	29.8%	29.4%	28.4%	29.1%	33.2%	37.6%
4	33.9%	31.7%	31.6%	29.9%	30.0%	28.7%	29.4%	33.8%	37.6%
5	34.7%	32.2%	31.5%	30.1%	29.7%	28.7%	29.2%	33.3%	36.7%
6	34.3%	31.9%	31.8%	30.2%	29.6%	28.7%	29.2%	33.0%	36.7%
7	34.6%	32.4%	32.3%	30.8%	30.2%	29.9%	30.7%	35.9%	39.3%
8+	34.3%	32.0%	31.7%	30.0%	29.6%	28.7%	29.2%	32.9%	36.7%

#### 8. Expenses

The expense assumptions used in the original filing in pricing this form are based upon recent company experience as are as follows.

Acquisition:	21.23 % of premium at issue \$15.99 per certificate issued
Maintenance:	\$17.22 per certificate in force 3.44 % of premium in force 4.33 % of claims paid
Premium Tax:	1.86 % of premium

#### 9. Marketing Method

This product will be sold to employer groups, unions/associations, on an automated deduction basis, according with the regulations of your state.

This product will be offered through the Allstate agents and AHL's personal producing general agency force. Additional workplace sales will come through the Allstate distribution network.

#### 10. Underwriting

Certificates are guarantee issue, subject to being actively employed, as long as the employee or member enrolls for an amount under the guaranteed issued amount during the guarantee issue period and case meets other requirements for guarantee issue as stated in the policy form. If these qualifications are not met, evidence of insurability is required.

## **American Heritage Life Insurance Company (NAIC #60534)**

### Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP

#### **11. Premium Classes**

Initial premiums vary by 3 industry classes, benefit period, elimination period, portability option, and issue age, or attained age. Renewal premiums may be adjusted based on the experience of the case. There will be one rate band below the best industry class and one rate band above the worst industry class for renewal rating, or cases with credible experience. Rates are illustrated in exhibits A and B.

The rate for the portability option will be 5% of the rates for the base premiums.

The rate for eliminating the Mental and Nervous exclusion will be 10% higher.

#### **12. Issue Age Range**

This form will be available to issue ages 18 and older subject to meeting eligibility requirements.

#### **13. Area Factors**

The pricing of this form did not incorporate any area factors.

#### **14. Average Annual Premium**

The expected average annualized premium per policy is \$620 (Issue Age product) and \$282 (Attained Age product), based upon the anticipated sales distribution and average policy size.

#### **15. Premium Modalization Rules**

Subject to rounding procedures, following are the premium modalization rules, which are the same as the original filing.

Semiannual premiums equal .50 multiplied by the annual premium.

Quarterly premiums equal .25 multiplied by the annual premium.

Monthly premiums equal .0833333 multiplied by the annual premium.

This form has no policy fee.

#### **16. Claim Liability and Reserves**

Claim reserves will be developed in accordance with the American Academy of Actuaries' Actuarial Standard of Practice Number 5, "Incurred Health Claim Liabilities".

#### **17. Active Life Reserves**

Statutory reserves will be held in accordance with the Standard Valuation Law.

#### **18. Trend Assumption - Medical and Insurance**

Explicit medical trend assumptions were not used in the pricing of this product. Duration selection factors were used as described in item 5. Morbidity.

## American Heritage Life Insurance Company (NAIC #60534)

### Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP

#### 19. Anticipated Loss Ratio

Tillinghast's TAS software was used to perform the calculations.

The lifetime anticipated loss ratios are 53.2% (Issue Age product) and 53.7% (Attained Age product). These loss ratios are calculated as the present value of policy benefits divided by the present value of premiums. These lifetime anticipated loss ratios exceed the minimum state requirements for this type of coverage.

Incurred loss ratios are equal to paid claims plus the change in claim reserves and liabilities divided by earned premiums. They do not include an adjustment for the increase in statutory policy reserves.

#### 20. Distribution of Business

##### BY ELIMINATION PERIOD

EP/days	
7	35%
14	35%
30	23%
90	3%
180	3%
<b>Sum</b>	<b>100%</b>

##### BY AGE

AGE	
25	13%
35	24%
45	31%
55	27%
62	5%
<b>Sum</b>	<b>100%</b>

##### BY BENEFIT PERIOD

BP/months	
3	19%
6	46%
12	20%
24	15%
<b>Sum</b>	<b>100%</b>

##### BY INDUSTRY CLASS

CLASS	
A	30%
B	60%
C	10%
<b>Sum</b>	<b>100%</b>

##### BY PORTABILITY OPTION ISSUE AGE PRODUCT

Assume that 20% of business will buy the Portability Rider

##### BY PORTABILITY OPTION ATTAINED AGE PRODUCT

Assume that 3% of business will buy the Portability Rider

##### BY MENTAL AND NERVOUS OPTION

Assume that 7% of business will choose to remove the Mental and Nervous Exclusion

The Average Unit size is 15 for the issue aged product and 9 for the attained age product, where 1 unit is \$100 of monthly benefit.

## **American Heritage Life Insurance Company (NAIC #60534)**

### Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP

#### **21. Contingency & Risk Margins**

No contingency margin was added to claim costs.

#### **22. Experience - Past & Future**

The Nationwide experience as of December 31, 2011 is not credible. See item 1. Purpose and Scope of Filing

#### **23. Lifetime Loss Ratio**

The lifetime loss ratios are the anticipated loss ratios of 53.2% (Issue Age product) and 53.7% (Attained Age product).

#### **24. History of Rate Adjustments**

This supplemental filing to GVDIP, previously approved, is a rate adjustment to the portability rates. Portability rates will change from 10% of non portable rates to 5% of non portable rates. There have been no other rate adjustments since the original filing.

#### **25. Number of Policyholders**

As of December 31, 2011, there were 3,427 nationwide certificateholders.

#### **26. Proposed Effective Date**

The notice for and implementation of this rate decrease will begin following its approval and in accordance with the laws and regulations of your state.

#### **29. Actuarial Certification**

I, Nasreen Ali, am an Actuary for American Heritage Life Insurance Company. I am a member of the American Academy of Actuaries and am qualified in the area of health insurance. I certify that, to the best of my knowledge and judgment, the entire rate filing is in compliance with the applicable laws of your state and with the rules of the Department of Insurance, and complies with Actuarial Standard of Practice Number 8, "Regulatory Filings for Rates and Financial Projections for Health Plans", and that the benefits provided are reasonable in relation to the proposed premiums.



---

Nasreen Ali, A.S.A., M.A.A.A.

April 25, 2012  
Date

**EXHIBIT A**

# American Heritage Life Insurance Company (NAIC #60534)

## Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP Attained Age Rates

Monthly Attained Age Rates						
	Elimination Period			Industry Class		
Benefit						
Period	Accident	Sickness	Age Band	A	B	C
3	0	7	0-49	1.35	2.13	2.72
3	0	7	50-59	2.13	3.01	3.68
3	0	7	60-64	2.84	4.01	4.89
3	0	7	65-69	3.45	4.88	5.95
3	0	7	70+	4.66	5.72	6.79
3	0	14	0-49	1.16	1.80	2.29
3	0	14	50-59	1.82	2.55	3.10
3	0	14	60-64	2.43	3.39	4.12
3	0	14	65-69	2.96	4.13	5.01
3	0	14	70+	3.99	5.01	5.98
3	7	7	0-49	1.27	2.02	2.59
3	7	7	50-59	1.99	2.86	3.50
3	7	7	60-64	2.65	3.80	4.66
3	7	7	65-69	3.22	4.62	5.68
3	7	7	70+	4.35	5.20	6.11
3	14	14	0-49	1.05	1.67	2.13
3	14	14	50-59	1.65	2.35	2.89
3	14	14	60-64	2.20	3.14	3.84
3	14	14	65-69	2.68	3.44	4.07
3	14	14	70+	3.03	3.82	4.49
3	30	30	0-49	0.76	0.97	1.15
3	30	30	50-59	1.19	1.48	1.75
3	30	30	60-64	1.36	1.71	2.03
3	30	30	65-69	1.44	1.81	2.14
3	30	30	70+	1.78	2.24	2.64

Monthly Attained Age Rates						
	Elimination Period			Industry Class		
Benefit	Age					
Period	Accident	Sickness	Band	A	B	C
6	0	7	0-49	1.72	2.66	3.37
6	0	7	50-59	2.70	3.77	4.56
6	0	7	60-64	3.60	5.01	6.07
6	0	7	65-69	4.38	6.10	7.39
6	0	7	70+	5.91	7.44	8.75
6	0	14	0-49	1.52	2.33	2.93
6	0	14	50-59	2.40	3.30	3.98
6	0	14	60-64	3.20	4.40	5.30
6	0	14	65-69	3.89	5.36	6.45
6	0	14	70+	5.25	6.50	7.70
6	7	7	0-49	1.63	2.55	3.25
6	7	7	50-59	2.57	3.61	4.39
6	7	7	60-64	3.42	4.80	5.84
6	7	7	65-69	4.16	5.85	7.11
6	7	7	70+	5.61	6.68	7.85
6	14	14	0-49	1.41	2.19	2.78
6	14	14	50-59	2.23	3.11	3.77
6	14	14	60-64	2.96	4.13	5.01
6	14	14	65-69	3.61	5.03	6.10
6	14	14	70+	4.87	5.69	6.68
6	30	30	0-49	1.12	1.75	1.94
6	30	30	50-59	1.76	2.47	3.01
6	30	30	60-64	2.34	2.80	3.31
6	30	30	65-69	2.42	2.91	3.44
6	30	30	70+	2.84	3.58	4.20

## American Heritage Life Insurance Company (NAIC #60534)

### Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP

Monthly Attained Age Rates per \$100 of Monthly Benefit						
Benefit			Elimination Period	Industry Class		
Period	Accident	Sickness	Age Band	A	B	C
12	0	7	0-49	2.17	3.39	4.30
12	0	7	50-59	3.18	4.56	5.44
12	0	7	60-64	4.54	6.37	7.74
12	0	7	65-69	5.52	7.75	9.42
12	0	7	70+	7.45	10.46	12.72
12	0	14	0-49	1.95	3.03	3.84
12	0	14	50-59	2.87	4.18	5.19
12	0	14	60-64	4.09	5.70	6.90
12	0	14	65-69	4.98	6.71	8.01
12	0	14	70+	6.72	8.20	9.60
12	7	7	0-49	2.08	3.28	4.17
12	7	7	50-59	3.06	4.40	5.50
12	7	7	60-64	4.36	6.16	7.51
12	7	7	65-69	5.31	6.82	8.29
12	7	7	70+	7.16	9.04	9.94
12	14	14	0-49	1.84	2.89	3.68
12	14	14	50-59	2.65	3.98	4.98
12	14	14	60-64	3.86	5.44	6.62
12	14	14	65-69	4.69	6.62	8.06
12	14	14	70+	6.33	8.93	9.74
12	30	30	0-49	1.52	2.40	2.58
12	30	30	50-59	2.10	3.07	3.65
12	30	30	60-64	3.17	3.98	4.71
12	30	30	65-69	3.27	4.05	4.79
12	30	30	70+	4.00	5.04	5.93

Monthly Attained Age Rates per \$100 of Monthly Benefit						
Benefit			Elimination Period	Industry Class		
Period	Accident	Sickness	Age Band	A	B	C
24	0	7	0-49	2.38	3.66	4.61
24	0	7	50-59	3.28	4.77	5.89
24	0	7	60-64	5.01	6.89	8.31
24	0	7	65-69	6.10	8.39	10.11
24	0	7	70+	8.23	11.32	13.65
24	0	14	0-49	2.16	3.30	4.15
24	0	14	50-59	2.97	4.29	5.28
24	0	14	60-64	4.55	6.22	7.48
24	0	14	65-69	5.54	7.57	9.10
24	0	14	70+	7.48	10.22	12.29
24	7	7	0-49	2.30	3.55	4.49
24	7	7	50-59	3.16	4.62	5.72
24	7	7	60-64	4.82	6.68	8.08
24	7	7	65-69	5.86	8.13	9.83
24	7	7	70+	7.91	10.98	13.27
24	14	14	0-49	2.06	3.16	3.99
24	14	14	50-59	2.81	4.10	5.07
24	14	14	60-64	4.32	5.96	7.19
24	14	14	65-69	5.26	7.25	8.75
24	14	14	70+	7.10	9.79	11.81
24	30	30	0-49	1.73	2.67	3.37
24	30	30	50-59	2.34	3.43	4.25
24	30	30	60-64	3.63	5.03	6.08
24	30	30	65-69	4.42	6.12	7.39
24	30	30	70+	5.97	8.26	9.98

## American Heritage Life Insurance Company (NAIC #60534)

### Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP

#### EXHIBIT B Issued Age Rates

Monthly Issue Age Rates per \$100 of Monthly Benefit						Monthly Issue Age Rates per \$100 of Monthly Benefit					
Elimination Period			Industry Class			Elimination Period			Industry Class		
BP	Acc/Sickness	Age	A	B	C	BP	Acc & Sickness	Age	A	B	C
3	0/7	18-49	2.90	3.29	3.75	6	0/7	18-49	3.51	4.29	5.10
3	0/7	50-59	3.47	3.90	4.53	6	0/7	50-59	4.55	5.63	6.67
3	0/7	60-64	4.13	5.21	6.16	6	0/7	60-64	5.24	6.60	7.81
3	0/7	65-69	4.48	5.65	6.68	6	0/7	65-69	5.45	6.87	8.13
3	0/7	70 +	4.77	6.01	7.07	6	0/7	70 +	6.20	7.82	9.19
3	7/7	18-49	2.73	3.03	3.57	6	7/7	18-49	3.29	3.81	4.45
3	7/7	50-59	3.25	3.68	4.27	6	7/7	50-59	4.33	4.98	5.75
3	7/7	60-64	3.94	4.97	5.88	6	7/7	60-64	4.93	6.21	7.34
3	7/7	65-69	4.31	5.43	6.43	6	7/7	65-69	5.13	6.47	7.65
3	7/7	70 +	4.54	5.72	6.72	6	7/7	70 +	5.83	7.35	8.64
3	14/14	18-49	1.86	2.21	2.48	6	14/14	18-49	2.51	2.95	3.44
3	14/14	50-59	2.34	2.73	3.18	6	14/14	50-59	3.34	3.94	4.58
3	14/14	60-64	2.84	3.58	4.24	6	14/14	60-64	4.19	5.29	6.25
3	14/14	65-69	3.00	3.79	4.48	6	14/14	65-69	4.51	5.69	6.72
3	14/14	70 +	3.33	4.20	4.94	6	14/14	70 +	4.96	6.26	7.35
3	30/30	18-49	0.85	1.07	1.27	6	30/30	18-49	1.52	1.86	2.14
3	30/30	50-59	1.29	1.62	1.92	6	30/30	50-59	2.34	2.73	3.23
3	30/30	60-64	1.56	1.97	2.33	6	30/30	60-64	2.51	3.17	3.74
3	30/30	65-69	1.66	2.09	2.47	6	30/30	65-69	2.66	3.36	3.97
3	30/30	70 +	1.96	2.47	2.90	6	30/30	70 +	3.12	3.94	4.63

## American Heritage Life Insurance Company (NAIC #60534)

### Actuarial Memorandum for Group Voluntary Disability Income Rate Decrease Policy Forms GVDIP

Monthly Issue Age Rates per \$100 of Monthly Benefit					
Elimination Period			Industry Class		
BP	Acc & Sickness	Age	A	B	C
12	0/7	18-49	4.55	5.68	6.76
12	0/7	50-59	5.72	7.76	9.24
12	0/7	60-64	7.59	9.57	11.32
12	0/7	65-69	8.35	10.52	12.44
12	0/7	70 +	9.00	11.34	13.33
12	7/7	18-49	4.16	4.59	5.27
12	7/7	50-59	5.20	6.15	7.32
12	7/7	60-64	5.91	7.44	8.80
12	7/7	65-69	6.26	7.89	9.33
12	7/7	70 +	7.25	9.14	10.74
12	14/14	18-49	3.21	3.77	4.32
12	14/14	50-59	4.25	4.98	5.75
12	14/14	60-64	5.86	7.38	8.73
12	14/14	65-69	6.21	7.82	9.25
12	14/14	70 +	7.23	9.12	10.71
12	30/30	18-49	2.08	2.43	2.83
12	30/30	50-59	2.95	3.38	4.01
12	30/30	60-64	3.48	4.38	5.18
12	30/30	65-69	3.68	4.64	5.49
12	30/30	70 +	4.40	5.55	6.52
12	90/90	18-49	1.30	1.52	1.79
12	90/90	50-59	2.12	2.47	2.88
12	90/90	60-64	2.50	3.20	3.72
12	90/90	65-69	2.66	3.39	3.94
12	90/90	70 +	3.17	4.06	4.68

Monthly Issue Age Rates per \$100 of Monthly Benefit					
Elimination Period			Industry Class		
BP	Acc & Sickness	Age	A	B	C
24	0/7	18-49	6.46	7.23	8.33
24	0/7	50-59	9.56	10.60	12.27
24	0/7	60-64	10.12	12.76	15.08
24	0/7	65-69	10.58	13.34	15.77
24	0/7	70 +	12.98	16.36	19.23
24	7/7	18-49	5.87	6.73	7.93
24	7/7	50-59	8.78	10.06	11.95
24	7/7	60-64	10.06	12.67	14.98
24	7/7	65-69	10.51	13.25	15.66
24	7/7	70 +	12.87	16.22	19.18
24	14/14	18-49	4.29	5.07	5.84
24	14/14	50-59	6.50	7.67	8.85
24	14/14	60-64	10.00	12.60	14.90
24	14/14	65-69	10.45	13.16	15.56
24	14/14	70 +	12.79	16.12	18.94
24	30/30	18-49	2.73	3.25	3.75
24	30/30	50-59	3.96	5.10	6.04
24	30/30	60-64	5.44	6.86	8.11
24	30/30	65-69	5.77	7.27	8.60
24	30/30	70 +	7.31	9.21	10.82
24	90/90	18-49	1.69	1.99	2.27
24	90/90	50-59	3.08	3.60	4.18
24	90/90	60-64	4.23	4.84	5.62
24	90/90	65-69	4.48	5.13	5.96
24	90/90	70 +	5.68	5.86	6.91
24	180/180	18-49	1.09	1.39	1.61
24	180/180	50-59	2.51	2.99	3.40
24	180/180	60-64	2.73	3.44	4.07
24	180/180	65-69	2.90	3.65	4.32
24	180/180	70 +	3.36	4.24	5.01

<b>SERFF Tracking #:</b>	ALST-128547179	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	RATES: PORTABILITY/NON-PORTABILITY
--------------------------	----------------	--------------------------	--	----------------------------	------------------------------------

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	American Heritage Life Insurance Company
<b>TOI/Sub-TOI:</b>	H11G Group Health - Disability Income/H11G.002 Short Term		
<b>Product Name:</b>	Group Disability Insurance		
<b>Project Name/Number:</b>	Rate Filing - Portability /		

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Justification		
Comments:	Please see Actuarial Memoranda attached to Rate Schedule.		